



## Senator Feinstein Urges Restoring Funds for Pell Grants

January 27, 2005

**Washington, DC** – U.S. Senator Dianne Feinstein (D-Calif.) today announced her support for legislation sponsored by Senators Jon Corzine (D-N.J.) and Ted Kennedy (D-Mass.) that would restore Pell Grant funding for college students whose aid will be cut by new Education Department criteria used in determining aid. Under this new proposal, 150,000 students in California stand to lose grant money.

Senator Feinstein also joined 30 other Senators on a letter that was sent to President Bush this week asking that cuts to Pell grants are restored in the FY06 budget.

Following is Senator Feinstein's statement on Pell Grants in the Congressional Record:

"I am pleased to join Senators Corzine and Kennedy as a co-sponsor of the bill 'Ensuring College Access for All Americans' that restores cuts to the Federal Pell Grant program for millions of students nationwide.

Federal Pell Grants are the cornerstone of our need-based financial aid system ensuring that all students have access to higher education.

These grants provide nearly \$12.8 billion to help about 5.3 million low-income students attend college.

However, approximately 89,000 students currently eligible for a Pell Grant will lose it, while an additional 1.3 million students will see their grants reduced by as much as \$100 to \$300 due to cuts in the Federal Pell Grant program.

In California, nearly 150,000 low-income students will see their federal Pell Grants decrease or disappear.

These cuts have a huge impact on students at California's public colleges and universities.

Within the University of California system, almost half of the 46,000 Pell Grant recipients who attend one of the eight UC campuses will receive reduced grants and about 500 students who receive \$400 a year will lose their grants completely.

### Need for Legislation

- On December 23, 2004, the Department of Education issued a proposal that will cut \$300 million from the Federal Pell Grant Program.
- The proposal updates state and local tax tables used to determine families' expected contribution towards college cost in a given year resulting in students and their families being expected to contribute more for college expenses.

- These changes, which use Fiscal Year 2002 state and local data, reduce the credit that families receive for paying state and local taxes at a time when they are actually paying more taxes.

Senators Corzine and Kennedy's bill ensures that no student loses their Pell Grant or sees a reduction in assistance under the Department of Education's proposal to update state and local tax tables.

It would simply "hold harmless" any student who stands to lose under the new proposal, so that no student would see a reduction in their Pell Grant. Those students in the states that stand to gain would still benefit from the new tax tables.

It is imperative that cuts to this important student aid program be restored so that students can continue to receive their Pell Grants that they are eligible for.

I recently received a letter from one of my constituents from Chino, California, a parent who is very concerned about the cuts to the Pell Grant program. The letter said:

'This would result in millions of families, many of whom depend on financial aid including Pell Grants, such as my children in college, losing all or part of their federal support....this affects us all and our children's future.'

A college student from Contra Costa County in California wrote:

'The amount of my Pell Grant will not cover the cost of supplies that I need for the semester...my parents cannot take out loans themselves...so now I have to take out loans of my own, which for the amount I was approved for, doesn't even cover a quarter of my tuition. I really felt let down and disappointed.'

There could not be a worse time for making changes that would take away or shrink a student's financial aid.

Over 500,000 low and middle income California students rely on Pell Grants for financial assistance. The Maximum Pell Grant has been frozen at \$4,050 for three consecutive years, while the costs of attending a four-year public college or private college have increased both nationwide and in California.

We must do all we can to make college education more accessible and affordable for our nation's students.

I urge my colleagues to join Senators Corzine and Kennedy in supporting this legislation."

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